Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

CONFIDENTIAL

PAGE 01 BRUSSE 03815 01 OF 03 271755Z
ACTION EUR-08

INFO OCT-01 ISO-00 SS-14 SP-02 L-01 EB-04 INR-05 /035 W
----------052748 271800Z /41
P 271734Z FEB 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC PRIORITY 5140

C O N F I D E N T I A L SECTION 01 OF 03 BRUSSELS 03815

STADIS////F////////

LIMDIS

USEEC

E.O. 11652: GDS
TAGS: ETRN, EEC
SUBJ: EC COMMISSION DRAFT PROPOSAL FOR A COUNCIL DECISION CONCERNING STATE TRADING COMPANIES' SHIPPING AND THE COMMUNITY

REF: (A) 77 BRUSSELS 18849, (B) 77 EC-A-413, (C)77 EC-A-413

1. IN STRICT CONFIDENCE, A COMMISSION OFFICIAL HAS GIVEN MISSION OFFICER A COPY OF THE COMMISSION'S DRAFT PROPOSAL CONCERNING STATE TRADING COMPANIES' COMPETITION WITH THE EC IN MERCHANT SHIPPING. SINCE THE MEMBER STATES HAVE NOT YET SEEN THIS DRAFT PROPOSAL, ANY INDICATION THAT WE HAVE THE TEXT COULD BE EMBARRASSING.

2. THE PROPOSAL IS SCHEDULED TO BE SENT TO THE COUNCIL ABOUT APRIL 1. THE COMMISSION ANTICIPATES COUNCIL ACTION ON THE PROPOSAL AT THE TRANSPORT COUNCIL MEETING TO BE HELD IN JUNE 1978.

3. A COMMISSION OFFICIAL EXPRESSED INTEREST IN ANY COMMENT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BRUSSE 03815 01 OF 03 271755Z

THE DEPARTMENT (EB/TCA/MA) MIGHT CARE TO OFFER ON THE PROPOSAL. WE INDICATED WE WOULD FORWARD TEXT TO DEPARTMENT AND RELAY TO THE COMMISSION ANY COMMENTS THE DEPARTMENT MIGHT CARE TO OFFER. THE TEXT OF THE COMMISSION DRAFT PROPOSAL FOLLOWS.

4. BEGIN TEXT. THE COUNCIL OF THE EUROPEAN COMMUNITIES

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

HAVING REGARD TO THE TREATY ESTABLISHING THE EUROPEAN ECONOMIC COMMUNITY AND IN PARTICULAR ARTICLE 84.2 THEREOF; HAVING REGARD TO THE PROPOSAL OF THE COMMISSION; WHEREAS THE COMMUNITY'S ECONOMIC AND TRADING INTERESTS REQUIRE RELIABLE AVAILABILITY OF SHIPPING SERVICES ON ECONOMICALLY SOUND BASES, UPON WHICH EFFICIENT AND VIABLE COMMUNITY CARRIERS ARE FREE AND ABLE TO COMPETE UNDER NORMAL COMMERCIAL CONDITIONS WITH MERCHANT MARINES UNDER OTHER FLAGS;

WHEREAS THE COMMUNITY ACCEPTS, IN THE INTERESTS OF SHIPPERS' ABILITY TO CHOOSE AND THE FREEDOM OF INTER-NATIONAL TRADE, ACTIVITY BY STATE TRADING COUNTRIES' LINER FLEETS, LIKE OTHERS', IN THE TRANSPORT OF OVERSEAS TRADE IN A SITUATION IN WHICH THE COMMERCIAL VIABILITY OF SHIPPING IN PARTICULAR TRADES OR GENERALLY IS NOT THEREBY THREATENED;

WHEREAS, HOWEVER, THE DIFFERENCES BETWEEN THE ECONOMIC BEHAVIOR OF MARKET ECONOMY AND STATE-TRADING COUNTRIES HAVE CREATED DISTORTIONS AS BETWEEN LINER OPERATORS BASED IN THE COMMUNITY AND THOSE OF STATE-TRADING COUNTRIES, TO THE DISADVANTAGE OF OPERATORS BASED IN THE COMMUNITY AND POTENTIALLY TO THE COMMUNITY'S TRADE;

WHEREAS FAIR AND EQUAL OPPORTUNITIES SHOULD BE AFFORDED CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BRUSSE 03815 01 OF 03 271755Z

BY STATE-TRADING COUNTRIES TO LINER OPERATORS BASED IN THE COMMUNITY PARTICIPATING IN TRADES BETWEEN THE EEC AND THEIR PORTS, BETWEEN THEIR PORTS AND NON-EEC PORTS, AS WELL AS BETWEEN STATE-TRADING COUNTRIES' PORTS;

WHEREAS IT IS DESIRABLE TO ESTABLISH GUIDELINES FOR THE ACTIVITY BY SHIPPING COMPANIES OF STATE-TRADING COUNTRIES IN LINER TRADES AFFECTING THE COMMUNITY'S INTERESTS;

WHEREAS IT IS APPROPRIATE TO ESTABLISH A MONITORING SYSTEM ENABLING THE MEMBER STATES TO EXCHANGE REGULARLY AT COMMUNITY LEVEL INFORMATION ON STATE-TRADING COUNTRIES' PARTICIPATION IN THOSE LINER TRADES;

WHEREAS IT IS ALSO APPROPRIATE FOR ARRANGEMENTS TO BE MADE AT COMMUNITY LEVEL FOR THE CONCERTED PREPARATION AND IMPLEMENTATION OF MEMBER STATES' COUNTERVAILING POWERS IN THE FIELD OF LINER SHIPPING;

HAS ADOPTED THIS DECISION.

ARTICLE 1

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

THE GUIDELINES AT ANNEX 1 SHOULD BE APPLIED BY MEMBER STATES AND THE COMMUNITY TO THE ACTIVITIES OF SHIPPING COMPANIES OF STATE-TRADING COUNTRIES IN LINER TRADES OF ECONOMIC INTEREST TO THE COMMUNITY.
ARTICLE 2 -
EACH MEMBER STATE SHALL INSTITUTE A MONITORING SYSTEM DESIGNED TO FOLLOW THE LIGNER SHIPPING ACTIVITIES OF

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BRUSSE 03815 02 OF 03 271804Z
ACTION EUR-08

INFO OCT-01 ISO-00 SS-14 SP-02 L-01 EB-04 INR-05 /035 W
----------052834 271806Z /50
P 271734Z FEB 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC PRIORITY 5141

C O N F I D E N T I A L SECTION 02 OF 03 BRUSSELS 03815

STADIS//////////////////////////

LIMDIS

USEEC

STATE-TRADING COUNTRIES, WITH SPECIAL REFERENCE TO:

- THE ESTABLISHMENT, EXPANSION OR MODIFICATION OF LINER SERVICES, INCLUDING THE NUMBER OF CALLS OF THE VESSELS CONCERNED IN COMMUNITY PORTS;

- THE NATURE, VOLUME, ORIGIN AND DESTINATION OF THE COM-MODITIES CARRIED BY THOSE VESSELS.

ARTICLE 3 -
THE MEMBER STATES AND THE COMMISSION SHALL DISCUSS REGULARLY, WITHIN THE FRAMEWORK OF THE CONSULTATION PROCEDURE ESTABLISHED BY COUNCIL DECISION 77/587/EEC OF 13TH SEPTEMBER 1977, AND INTER ALIA ON THE BASIS OF THE OUTPUT OF THE MONITORING SYSTEM REFERRED TO IN ARTICLE 2, THE ACTIVITIES OF STATE-TRADING COUNTRIES IN LINER SHIPPING.

ARTICLE 4 -

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

THE COUNCIL MAY DECIDE, ACTING BY QUALIFIED MAJORITY ON
A PROPOSAL OF THE COMMISSION, OR OF ANY MEMBER STATE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BRUSSE 03815 02 OF 03 271804Z

HAVING CONSULTED THE COMMISSION, ON THE PREPARATION AND
SIMULTANEOUS IMPLEMENTATION, BY THE MEMBER STATES
AFFECTED OR BY ALL MEMBER STATES, IN RELATION TO THE
LINER SHIPPING ACTIVITIES OF THE STATE-TRADING COUNTRIES,
OF APPROPRIATE COUNTERVAILING MEASURES PROVIDED FOR IN
MEMBER STATES' DOMESTIC LEGISLATIONS. SUCH MEASURES MAY
BE APPLIED GENERALLY OR IN A SPECIFIC TRADING RANGE AND
MAY IN PARTICULAR COVER THE LICENSING OF LINER SERVICES
AND THE IMPOSITION OF LIMITS ON THE VOLUME, NATURE, PRO-
PORTION OR VALUE OF CARGO WHICH MAY BE LOADED OR DIS-
CHARGED IN THE PORTS OF MEMBER STATES IMPLEMENTING THESE
MEASURES.

ARTICLE 5 -
MEMBER STATES SHALL, IN GOOD TIME, AND AFTER CONSULTING
THE COMMISSION, ADOPT SUCH LAWS, REGULATIONS OR ADMINI-
STRATIVE PROVISIONS AS MAY BE NECESSARY FOR THE IMPLEMEN-
TATION OF THIS DECISION.

ARTICLE 6 -
THIS DECISION IS ADDRESSED TO THE MEMBER STATES. DONE
AT BRUSSELS, FOR THE COUNCIL.
ANNEX I - GUIDELINES FOR THE PARTICIPATION OF THE MERCHANT
MARINES OF STATE-TRADING COUNTRIES IN THE LINER TRADES OF
THE COMMUNITY:

THE COMMUNITY ACCEPTS, IN THE INTERESTS OF SHIPPERS'
CHOICE AND FREEDOM OF TRADE, THE ACTIVITY OF STATE-
TRADING COUNTRIES' FLEETS IN LINER TRADES, PROVIDED THAT
THE LINER SHIPPING COMPANIES OF MEMBER STATES ARE ABLE
TO COMPETE IN THESE TRADES WITH LINER OPERATORS OF STATE-
TRADING COUNTIRES ON THE BASIS OF EFFECTIVE EQUALITY OF
OPPORTUNITY AND RECIPROCITY OF TREATMENT.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BRUSSE 03815 02 OF 03 271804Z

2. THE LINER SHIPPING OPERATIONS OF STATE-TRADING COUN-
TRIES ARE, HOWEVER, INCREASINGLY THREATENING THE VIABILITY
OF COMMUNITY LINER SERVIES THROUGH THE APPLICATION OF
TRADE PRACTICES SUCH AS PRICES NOT REFLECTING COMMERCIAL
REQUIREMENTS, CONTROL OF TERMS OF SHIPMENT AND IMPOSITION
OF ADMINISTRATIVE AND OTHER TRADE BARRIERS INCOMPATIBLE

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

WITH THE MARKET ECONOMY SYSTEMS OF THE MEMBER STATES.

3. THIS PROBLEM CANNOT BE RESOLVED BY METHODS APPROPRIATE TO THE ECONOMIC AND COMMERCIAL RELATIONSHIPS BETWEEN MARKET-ECONOMY COUNTRIES.

4. IT IS THEREFORE NECESSARY FOR THE FOLLOWING GUIDELINES TO BE APPLIED:

- IN BILATERAL LINER TRADES BETWEEN THE COMMUNITY AND STATE-TRADING COUNTRIES, THERE SHOULD BE EQUAL PARTICIPATION FOR EEC CARRIERS IN BOTH DIRECTIONS AT RATES COMPENSATORY FOR THESE CARRIERS. THIRD COUNTRY CARRIERS SHOULD HAVE REASONABLE ACCESS TO THESE TRADES;

- EEC CARRIERS SHOULD HAVE REASONABLE ACCESS TO TRADES BETWEEN STATE-TRADING COUNTRIES' PORTS AS WELL AS BETWEEN STATE-TRADING COUNTRIES PORTS AND OTHER NON-EEC PORTS;

- IN LINER TRADES BETWEEN EEC PORTS AND NON-STATE TRADING COUNTRY PORTS, CARRIERS OF STATE-TRADING COUNTRIES MAY PARTICIPATE AS THIRD-COUNTRY CARRIERS, EITHER AS CONFERENCE MEMBERS OR OUTSIDE CONFERENCES, PROVIDED THE VIABILITY AND RELIABLE AVAILABILITY OF SERVICES UNDER THE NORMAL CONDITIONS OF THE TRADE BY EFFICIENT COMMERICAL CARRIERS IS NOT THEREBY THREATENED;
- WHERE STATE-TRADING COUNTRY CARRIERS OPERATE OUTSIDE

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BRUSSE 03815 03 OF 03 271802Z
ACTION EUR-08

INFO OCT-01 ISO-00 SS-14 SP-02 L-01 EB-04 INR-05 /035 W
---------- 052819 271805Z /50
P 271734Z FEB 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC PRIORITY 5142

C O N F I D E N T I A L SECTION 03 OF 03 BRUSSELS 03815

STADIS//////////////////////////////////

LIMDIS

USEEC

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

CONFERENCES THEY SHOULD NOT APPLY TARIFFS LOWER THAN THOSE OF OTHER NON-CONFERENCE CARRIERS SUSTAINEDLY OFFERING REGULAR SERVICES ON A PARTICULAR ROUTE; WHERE STATE-TRADING COUNTRY CARRIERS ARE THE ONLY OUTSIDERS IN A PARTICULAR TRADE THEY SHOULD SET THEIR TARIFF IN CONSULTATION WITH SHIPPERS' REPRESENTATIVES AND THE LINER CONFERENCES CONCERNED.
END TEXT. HINTON

CONFIDENTIAL

NNN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MARINE TRANSPORTATION, REGIONAL ORGANIZATIONS, RESOLUTIONS, STATE TRADING COMPANIES
Control Number: n/a
Copy: SINGLE
Draft Date: 27 feb 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BRUSSE03815
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780089-1164
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780210/aaaaaiia.tel
Line Count: 286
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c8c0cdcc-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS, STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS, STADIS
Reference: 77 BRUSSELS 18849
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3427345
Secure: OPEN
Status: NATIVE
Subject: EC COMMISSION DRAFT PROPOSAL FOR A COUNCIL DECISION CONCERNING STATE TRADING COMPANIES\' SHIPPING AND THE COM- MUNITY
TAGS: ETRN, EEC
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/c8c0cdcc-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014